

# Episode 4 - Raminder Mann

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## SUMMARY KEYWORDS

business, mall, kiosk, people, managing, convenience store, employees, store, buy, denver, family, selling, owned, profitable, company, india, running, money, cisco, gas station

## SPEAKERS

Raminder Mann, Nichole Stohler

**N** Nichole Stohler 00:02

Welcome back to the Richer Geek Podcast. I am so excited today to have Raminder Mann on our call and reminder. And I worked at the same technology company, he was actually in a different state. And but we were kind of under the same division. And it's only later that I found out that he owned a convenience store or multiple convenience stores actually and liquor store in collaboration with his family. And I thought that was a really cool and interesting story to share. And now he owns a company that is aligning in the technology space. We'll talk about that a little bit as well. So it's kind of come full circle, but it's super interesting to hear his story. So welcome, Raminder.

**R** Raminder Mann 00:45

Thank you, Nichole. Thank you for having me. I really appreciate it.

**N** Nichole Stohler 00:49

So I would love to just as we kind of jump in, I kind of gave that little bit of background but I would love to hear more about your background, and why you initially started in the convenience store business because that's a precursor to kind of our overall conversation.

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Raminder Mann 01:05

Absolutely. So I'm born and brought up in India, I grew up in India. And as I graduated college in India, my parents had an opportunity to move to the United States. We had a lot of extended family here and through the immigration, kind of that sponsorship visa program, they got invited to us and they were, you know, a lot of our family wanted us to move here. And ultimately, we all decided that okay, well, we'll give this a shot, we'll move to the United States. I was 22 at the time, so I was not eligible to be part of that immigration. My parents, my younger sister, where I moved here as a student. So I enrolled in a master's degree in electrical engineering. I was electrical engineer by trade. When I moved here, and my parents did, both of them were teachers in India. So they had a teaching background, and we were essentially, we basically hit the reset button to figure out how to make a living in the United States a new country that, you know, we knew nothing about. We move to Wichita, Kansas, at Wichita State University because that was a university that was affiliated with the Cisco company that I was doing some technology work for in India and I kind of knew that that's part of the business. So that's how I picked up Wichita plus it looked like a fairly inexpensive city to live in. Getting there getting my parents settled, right. We had a little bit of money after selling the house, nothing significant. And we started looking at how would we build a life in the US. I reached out to several folks in Wichita, Kansas, who were Indians to ask, you know, what would you recommend? What would you recommend for my parents who are now in their, you know, late 40s, early 50s for them to reset and start and the advice I got was most of the Indian families go into convenience store business or into taxi business. and we should look at it. So we knew nothing about it. One of the families that we met with, who had a couple of convenience stores in Wichita helped us get started helped us understand the business, you know, volunteered to, you know, bring us let my dad work at the front desk and teach him how to be a cashier, something that he had never done. So that's just, you know, mostly by accident, I would say is how we ended up getting into that business.

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Nichole Stohler 03:30

I love a couple of things that you just mentioned. So you talked about you were trying to figure out how do we build a life here. So it's very purposeful. And you were talking with different people in the community and you're getting advice, which is, which is always a good idea, no matter what you're doing career advice, you know, what kind of schools you should go to? I think that's really interesting. And, and I think it's interesting that they said, taxi or convenience store.

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Raminder Mann 03:57

Yeah, seriously, it was it was kind of an exciting way. I mean, there's pretty much put into the the exact word is what more on the lines of if you are from Punjab in India, you either run a gas station or you drive a taxi. So my career choices were made fairly clear to me at 22 years of age.

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Nichole Stohler 04:19

And you ended up so how did that business end up going? Because I think you had more than we started with one. But then.

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Raminder Mann 04:27

So there's multiple ways to get into the convenience store business side. I think when people say I own a convenience store that can mean many things, right? One way of owning a convenience store is that you just own the business, but you do not own the property of the real estate associated with the convenience store. That is a much cheaper way to buy into that business. Right. So when you buy the business piece of a convenience store, technically all you are buying is some goodwill from the current owner who owns that property, right. And you're making a monthly lease payment or rent payment for using that property. And you are buying everything that is inside the store, right? So the grocery piece of the business, plus you're buying the gas, which is in the tanks outside, right? So give or take, you can typically buy a convenience store business without real estate 100K to 150K. So it's not a very big investment. It's a big investment, but not a massive investment to just buy the business side. And in our case, this other family that owned two convenience stores, which they owned real estate and business, right, they were willing to split that money with us, right? So we we came up with about \$50,000 at the time, which we had from selling our house in India and the other family put in \$50,000, which more than the money they put in was important to us was their experience because they had done this for a long time. So that's how we started we just bought the business piece of it. We did not buy the property, which is the cheapest way to get into the business.

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Nichole Stohler 06:05

Okay, so and what you've described, so basically you formed a partnership essentially with that, okay. Okay. And this was a franchise or no,

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Raminder Mann 06:15

it was a most of these stores are independently owned. So it wasn't a franchise. It was a branded store, meaning it was gas branded. So it was a Phillips 66. Again, when we talk about franchising, the the franchising is where it's a store brand, right? But most of the gas stations are actually gas branded, that it's a branded gas that you can only sell gas from Phillips 66 or shell or whoever. In that case, you're doing an agreement with that gas company, and they will essentially give you some money for an exclusive contract. But it's your store, meaning you can put anything on the shelves inside. You can go to a Sam's Club, and Buy Wholesale groceries and you can do it any other arrangements but you can put anything in the shelves or in the coolers. The franchisee system is where you are franchising the convenience store piece of this meaning you go to a 711 and say I want to run a 711 store. Now that's a franchisee meaning 711 decides what goes on the shelf 711 is the only one who can source where that comes from, right or anybody else for that matter of fact, who's a franchisee, right? No different than a McDonald's or Burger King or you name it. Right. So in our case, it was not a franchisee because in a franchise type of a setup the franchiser is the one who controlled your cash register, you only get a percentage of it to run payroll. So it's a very, very different setup than you actually owning all aspects of the business, including inventory and all of those pieces.

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Nichole Stohler 07:49

Okay. Wow. So I had no idea and it's funny because, you know, as you drive around you, right, you were kind of looking at the gas, you know who were who's actually providing the gas. So that's interesting. Okay. And then you you ended up growing that business right to started with the one that ended up growing? How many did you end up with?

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Raminder Mann 08:11

So, so that business for us grew significantly. I think that was a very profitable business overall, right? Like I said, the arrangement in that case is you buy everything that's in the store, and you agree to a monthly payment to the person who owns the property. And we were able to do with just good customer service, good management of what what is being sold and price management. We grew the business in that store quite a bit, which basically meant any growth that you have is going in your pocket, because you're paying a fixed monthly rent for that business, that that gas station also had a very unique proposition. It was a huge lottery seller. So state of Kansas lottery, we used to sell in that store. We actually had a seating area back there, and the store, a few people who played lottery at the store ended up winning, which made it real popular for more people to come and gamble there? Yes, sometimes you don't have to be smart, you just have to be lucky. So the lottery business did good in that store as well. And that gave us a lot more cash

flow. And we took that cash flow and started investing in other businesses, right. And one of the other businesses, which was really lucrative is these little kiosks inside the malls, right? So you walk through the mall, you see a small kiosk, which is in the middle of which could be selling all kinds of stuff in that kiosk, right. And we had some friends who were running that kiosk business, and they told us how profitable that business was. So right after that gas station, we actually bought two or three different kiosks in two different malls. Cell Phone accessories is one of the most popular businesses in the in the mall business. And most people who are not in the business will look at that kiosk business as small business right? super low end that I mean, these are the guys who've got to be making the least amount of rent payments to the mall. And you will be surprised it's the other way around. The rent for a kiosk can be higher than the rent for a store. Typically it is higher than the rent for the store. So we grew that business we we at one point had 11 kiosks in three different malls that we were managing and that business was incredibly profitable, although that business is very much controlled by the malls. The malls decide how much when they see somebody selling a whole lot they'll just issue another kiosk in that same product line, right and that's the piece you have to negotiate with the malls. For example, a cell phone kiosk. How many cell phone kiosks can there be. The accessory business and cell phones is very, very profitable. We had a jewelry kiosk - we had a lot of those different types of kiosks. And it was interesting to me in that business that mall managers will come to us and always try to convince us to move that into a store and they will reduce our rent to move that to a store. But the sale is so much higher being in that walkway, then in any store. So you are always fighting to keep the kiosk rather than moving into a store which will not be intuitive to a lot of people.

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Nichole Stohler 11:33

I had no idea you are absolutely correct. I thought that they were not making that much money that the mall was just saying hey, I have empty space I might as well you know get some profit from that space and rent it out to these. You know jewelry and it's sometimes perfume and sometimes hair accessories and I had no idea. I'm just curious is that something where you just go to the mall and you say I would like to open a kiosk? Or is or is that something where there's like some kind of trade organization or something specific for that.

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Raminder Mann 12:12

So typically you buy it from somebody, I think most popular products always have a kiosk already, right? Unless you come up with a brilliant idea of something that is not in a kiosk in the mall. Right? If you if you have a product, then you can just walk up to the mall manager and ask for a space, which is the cheapest way to do it. However, if you want to

set up a kiosk for cell phone accessories, that's not no way you can get a new kiosk because they have a maximum location as part of these contracts. And they're only going to have two or three in the mall. And those are already taken. So you have to buy it from somebody which is no different than buying a gas station, you will buy all the inventory and you will pay them some kind of a goodwill for selling that store. And that goodwill really depends on how much money that kiosk is making. I'm going to give you some numbers here, which will certainly make you think about it during Christmas season, which is the busiest season in the mall, right? So roughly from about Thanksgiving to Christmas Day, right? That's about a month, our most profitable kiosk would generate about \$100,000 in net profit in that one month. So the money that the these kiosks make is significant money, and it's actually more profitable than the gas stations. So that was something that we learned through the process and realized how much more money these kiosks can make. But it's also again, it's a very closed system. Unless you are in the system, you will never realize that.

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Nichole Stohler 13:52

Well, I have so many questions. Okay. The first is I'm thinking about you have the convenience store and you have 11 kiosk. You had employees that were not part of your family and and someone was maybe every day kind of checking into the three different malls. So they were checking into the different malls and seeing how things were going. Is that kind of how you managed it?

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Raminder Mann 14:15

Yes, absolutely. That's how we managed it. Yeah, I mean, the mall hours are really long. The biggest downside of any of these businesses is it severely impact your personal life. The gas stations, they, you know, if they are not 24 by seven, they're pretty close to it, right. Like the gas station we had. We used to close it, I believe, at 11 o'clock at night and open it at six in the morning. So just the amount of manpower it takes to do that number of hours, seven days a week is pretty high. So mall was a little bit of easier job because that used to be from 10 to nine, right? And then Sundays were 12 to six. So the timings were lesser to manage, but still with that many number of kiosks and that many number of people it's a lot of shifts that you manage. When you have a volume, like we did have 11 stores, you're able to do things like go to the mall manager and say I need to do kiosks right next to each other or trade places and those kind of things. Because the weekdays are super slow, like a Tuesday, from 10am to 5pm. You're not going to sell anything. So you can have one person manning two or three kiosks as well. Right? So you will do those kind of things to reduce your labor cost in that case.

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Nichole Stohler 15:31

Yeah, that's, that's so interesting. Well, I'm never going to look at those kiosks the same again. Now continuing kind of the retail theme, because so we have convenience stores, kiosks, and then you moved into a liquor store.

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Raminder Mann 15:47

You know, it's once you start building one business, that reality is it's all very very similar, right. So there is the operational aspect of managing the employees, managing the inventory, managing the cash flow. Right. Outside of that, it's all about what product sells and how profitable is it, right. it's a profit and loss statement that you are managing between how much cash is generating and how much is your fixed expense between rent and employees. So once you start doing that quick math and managing through it, it's easy enough to bounce from one retail business to another. All retail businesses have the exact same problem, which is theft. theft is the biggest problem whether you're running a gas station or you're running a kiosk or you're running a liquor store, right? I mean, I can I can show you videos of people trying to steal a one liter bottle of vodka by sticking it in their pants, right. So the the crazy stuff that you see in retail is all centered around theft. Once you know kind of what to look for and how to manage it. You can go into any retail businesses what I do. So when you know this was I moved to Denver from the start in 2006. So we were in Wichita for about four years. I moved, but my parents wanted to stay in Wichita, so I kind of transitioned a lot of these businesses back with them. We we sold a few businesses to make it more manageable for my parents. And during that transition, is when they took on a lot more responsibility and got rained on it. Then my first daughter was born in 2011. And that's when they wanted to be closer to us. So that kind of triggered my parents wanting to move to Denver. And at that point, I started looking for businesses in Denver. The the kiosk business was extremely competitive in Denver. I think the bigger cities that businesses very hard to get in the just the initial cost is very high and the malls have done a lot of creative things right. So the malls have restructured those contracts to where you have to pay a percentage of your revenue to the mall above your rent. So I think once malls figured out how profitable that was, they started managing down the profits. It hasn't trickled to smaller markets like which, but the mega markets were very different is what we found out. So I did look at a lot of kiosk businesses, in different malls in Denver. It just wasn't as lucrative as it was in Witchita, which you would think will be the other way around in bigger cities. So we started looking at gas stations, and that's when, you know, through just family, friends and connections. Some people mentioned we should look at a liquor store, right? So just found somebody who knew somebody who owned the liquor store in Denver, went to him he walked us through the business gave us a lot of good information, and actually helped us evaluate three different liquor stores that

were for sale. Because we did not understand the profit margins. We knew the operational aspect of the business, but didn't know how profitable liquor business can be. So that helped us get a better understanding of the liquor business, the profitability, how do you evaluate profitability on wine versus liquor and beer and all of those things. So found a really good liquor store at the time, which was a big 6000 square foot liquor store had about 12 employees, everything in place, but the owner wanted to retire, which was kind of a perfect opportunity for us to buy and go in. And that that liquor store is still with us. Right. So my dad still runs it today.

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Nichole Stohler 19:33

Oh, wow. I didn't realize that. Okay. So, tell me how it is. I have a balancing question. So you have young children, your parents have moved out your dad's managing, how much and you're working full time and technology at the time? How much time are you putting in at the store to or how were you involved more on like accounting and the back end or how did you manage that?

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Raminder Mann 19:57

Very little To be fair, I think, I think I put in a lot of my time, early on from 2002, to probably about the 2006 timeframe, when we built that initial business of gas stations and the kiosks after that, my dad ran that all by himself with my mom for about five years. Right? So he got very, very good at kind of managing the employees managing the cost and the inventory. So when we did the liquor store, I spent the first six months with him, just to help him understand that business, right. But after that, he was the one who basically took control of it. He'll reach out to me if he has any questions or thoughts, but accounting, I didn't even get involved in the books because we had a third party accountant who would do that for for my dad.

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Nichole Stohler 20:50

Okay, so tell me now, because I know you've also made this you know, very significant transition And I and I'm curious too, cuz you've talked about all this retail, and then you're working in tech. And you're an engineer. That's, that's what you went to school for. So and then you transition to your current company that you own and talk a little bit about that.

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Raminder Mann 21:15

Absolutely. So for me, like I said, the retail business was, it pretty much happened as an



accident. We stumbled into it. We figured it out. We were as a family, we were at a place where we needed help, we needed to figure out something which would keep my mom and dad busy and employed. Once we figured it out, and it gave us a healthy lifestyle. It was a good living that everybody was making. I went back into technology, because that's what I had done on all the way right. So I was a network engineer in India. I came and did a master's in electrical engineering, which was focused on computer networking. I then started working even in digital for a Cisco a reseller at the time, right? And I got to work there and got promoted as a director for their Cisco practice. So I ran that business for a little bit, got to understand that business move to Denver and got into sales, right? So I had an engineering background, got into sales, did technology sales for seven years where I got really comfortable with it and back of my mind, I was like, Okay, now I understand how to sell technology. I have, I understand how to deploy and manage technology. I understand how to run the business right of a managed p&l and operational side of businesses and employees for a long time. I need to bring this together into a technology business. I had worked for two Cisco resellers prior to joining Cisco, so I had experience in that business. I always thought that business was lucrative obviously never had access to the books and all that to be hundred percent sure. But that was a business that excited me. So in 2013, I decided to put together a plan, leave Sysco in the next 12 months and started a reseller business. I was fortunate enough by this time for my family to have enough funds, right? We were not rich, but we had invested in, you know, really different things to where we knew we could pull out some cash and make a significant investment. Right when I say significant for me at the time was anything upwards of a million dollars, which I think is a significant investment, but it's a different term for different people. So I was at that point where I knew I could pull in that much money, if not a bit more to go into something. And I started putting together a plan to start a company did a lot of analysis put together. Basically a business plan to see how I would build a Cisco partner, they'll be different than all the ones that it existed in Denver. I was fortunate enough to work with each one of them being at Cisco for seven years. And I knew what what are the strengths and weaknesses across the board worked with hundreds of customers during my my years at Cisco and got to see which areas of Cisco partners they liked and didn't like, what was relevant, not relevant. So I had a lot of best practices that I could put into something that I could build. I wanted to build because I felt like it has to be what I want it to be. It has to be something that can scale up for large customers. I was never a SMB, kind of a guy I was never into. I didn't want to start a company, which never grows beyond 10 people when I'm the guy who's selling and deploying and supporting and answering calls at the middle of the night. That was something that I was very clear about. After having worked 18 hour weeks for a long time in my life. I wanted to make sure I was not getting into a business which will not give me a work life balance, did my entire analysis and realized if I have to build what I want to build, it will be more than what I have right in that one to one and a half million dollar range, I will have to invest two to \$3

million to build what I want to build. And that's what put me into, okay, if I'm going to put that kind of money, I should look at acquisitions. So I started looking at acquiring a company which might be close to the DNA, I wanted to build and looked at a lot of places in Denver, and then expanded my search to neighboring states is how I stumbled upon my current organization and them, which is a new Mexico based company. And I had done business with them. It was an engineering led company, which kind of met with which met the core requirement for what I wanted to build still had a lot of things that need to be built above it. But that's how I got into an M at the time, right? What one key thing to think about is when you are trying to start a business, you cannot get it funded through traditional mechanisms. No banks will fund the startup only investors will fund the startup investors do not give you lucrative financial terms. They always want equity. But if you buy a running business, whether that is a gas station, a liquor store or technology company, you can get it financed as a traditional financing from a bank if it is profitable. So very big difference. Your purchasing power for an existing business can go very far if it is a profitable business, and that's what played for me to be able to acquire. Just you can just go and buy something bigger than you what you can do as a startup.

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Nichole Stohler 26:49

That is it is so interesting, especially as you're talking about because I was just thinking that you've done that multiple times, right, you bought existing and then you basically optimize and then you were able to figure out how to add, create, you know, more of a specialty around the niche or whatever the case may be in order to make the business even more profitable than it was when you purchased it but generally there was that baseline and that starting it's so interesting what you're saying because it's, you know, because I'm very familiar with real estate it's similar in a way that you know, the bankers are going to really look at and they want to understand the financials they want to see the rent, what's called the rent roll they want to understand the consistency of being able to you know, always have rooms rented or apartments so I never thought about it for a business though that's that's interesting. And it's interesting what you say to about investors and they're wanting equity in those terms are there they can get you in a really tough position probably and you're not profitable for a long time.

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Raminder Mann 27:51

Absolutely in some investors I'm a strong believer. The investors are the only ones who are making the easy money. Someday I want to be an investor.

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Nichole Stohler 28:04

So I this is it's been very interesting I love hearing about your journey and I would love for if you could kind of share as you went through you shared excellent tips for if people are looking at kind of different pieces or, or not to or where to research and what to understand, what would you say are some of the biggest lessons that you've learned throughout this kind of journey?

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Raminder Mann 28:28

biggest lessons - very, very important to have a good support system around you. Whether it's retail or technology. Regardless, any business that you are going to run or manage is going to require a lot of commitment. And you cannot deliver on that commitment if you don't have a strong support system, family friends around you as a step one, As a step two strong employees as you grow. Ultimately, for you to be successful in any business, you need to build a culture where people have ownership and vested interest in making you successful. Everybody wants to be successful, but everybody also wants it to be something that takes them forward in life. So you can apply that concept of family, right? Even in family, if you're going to do something together as a family, it only works if you are gonna be fair, and everybody's going to mutually benefit from it. Right? Otherwise, families break over businesses as well. Right? We have seen a lot of instances where, you know, as family members, you go into a business and you end up fighting and losing your personal relationships as well. Right. So we learned a lot of that along the way, running this as family business, and took those lessons beyond that into employees and built a big family. Because families can argue, have different opinions. But as long as they're all working towards the same goal, as long as they are vested in making this a joint effort and success will if you are successful, everybody's successful, it works. So NM to me is a big family today, we're almost 200 people now. So, you know, we have still maintained that very, very similar culture where this is not owned by me, this is owned by everybody. When we are successful, we make money, we reinvest, we celebrate together. And I think that's the biggest thing you can do is if you are going to go into a business, make sure you have that support structure. Make sure you have the mindset of this not being about you, but about people who support you and make it successful.

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Nichole Stohler 30:49

Wow. That's great feedback and really, really good advice. Tell us what you're looking to do next. Or if you can?

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Raminder Mann 31:00

So honestly, ANM is very, very exciting to me. This is my sixth year at ANM. When, you know, I and my investor family we acquired ANM it was 28 employees and about 10 million in revenue. Today we are almost 200 employees, and we'll probably do about 150 million in revenue. So we have come a very long way. We have had a lot of lot of success. And as long as this keeps me challenged, right, it is exciting to me. And every year, we have new challenges, right, every new threshold we hit right when we crossed 50 million, it was a different challenge on how we need to manage our customers have a perception and how do we deliver results? How do we reorganize ourselves when we crossed hundred, it was a different one. And every step of the way. It has been exciting to figure out the new challenges that it throws at us. At one point, we were fighting to create a perception that we are a big company and we can deliver on big projects. Because everybody looked at us and said, You're too small. I don't know you can handle my work. And now we're struggling to demonstrate ourselves as a small organization and nimble because people look at us and say, You guys are becoming too big and you you can't deliver the flexibility and customer service you used to deliver. So we're still the same company. We're still the same people. It's those are the interesting things to me is how do we deliver a quality product? How do we deliver our customers, what they signed up for and beat their expectations yet continue to grow? Right? It's a very exciting time for me, ANM. With my leadership team, we have set a goal of hitting 500 million in the next five years, and we're putting in a lot of effort and a lot of investments in how to do it. We're very adamant on not bringing in investors. So when you're going through these huge growth cycles, it takes a lot of cash. And we have been able to do very good cash management so far. In terms of not bringing in outside capital. Right? We will, we've made some acquisitions. We're working on a couple new acquisitions right now. All of them are funded by traditional finance, traditional banking or through our partners but not through an investor with equity. Right? We're working on providing equity to employees, which is very, very exciting and close to my heart, right. I would rather provide equity to employees than to an investor. So if we can make this happen in the next five years, if you can get to 500 million without outside money, and have all employees have ownership in the company. That will keep me going for the next five years Nichole and that's all I'm thinking right now.

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Nichole Stohler 33:58

Fantastic. So 500 million in equity continue to create that family atmosphere but also give your employees the opportunity to participate in the success through equity. That's, that is absolutely fantastic. I am so grateful for you to come on and kind of share your journey with us. Where can listeners stay in touch with you or learn more about ANM?



Raminder Mann 34:21

So you can go to anm.com I'm happy to have people reach me out on email, my my email addresses of a member got man at ANM dot com. So my first name dot last name and then I love connecting with people. I love talking to people. I always learn new things when I meet with people and if there is anything I can help with, for somebody to go through the same journey. I'll be more than excited to help.



Nichole Stohler 34:45

Fantastic. Thank you so much. Thank you Nichole!